From:	Stan Sokolowski <ssokolowski@cifc.com>
To:	Stan Sokolowski <ssokolowski@cifc.com>
CC:	
Date:	Mon, 12/21/2015 8:57:01 PM
Subject:	Daily Update

Quote of the Day

"The measure of intelligence is the ability to change." - Albert Einstein

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- Risk is better today following a w/e of light news and a horrible day on Friday (-2% ish for US equities). There does not appear to be any specific catalyst (oversold bounce?). W/E conversations generally leaned bearish. Oil remains a focus as it approaches $33 this morning (interestingly futures remain higher). In other news, Star Wars earns $238mm on its opening day, Steve Harvey screws up Miss Universe last night and GE made an announcement that they will announce in January their plans on whether or not they will keep their headquarters in CT due to hefty tax increases (you don't make an announcement that you plan to make announcement if things aren't changing….). Today and tomorrow will most likely [hopefully] be the last two days of the year. Futures: +15. 10 year: 2.20%

- Data: Nothing. Personal consumption, Richmond Fed, Income & Spending, Durable Goods, New Home Sales and PCE this week

- Credit: The leveraged credit markets were volatile last week. High yield bonds had one of the largest collapses in yields in the past 6 years as yields touched 9.5%. Loan yields trended north of 7.5% as the asset class experienced its 2nd largest outflow on record ($2.04bn). The culprit? Commodity prices… A $200mm ish block of Fieldwood 2nds traded Friday afternoon. The price: 16 cents… In other news, the percentage of the leveraged loan market trading above $99.5 and Par stands at a meager 9.9% and 0.8%, respectively. The trade de jour by some hedge funds currently is to get long HY and short equities…

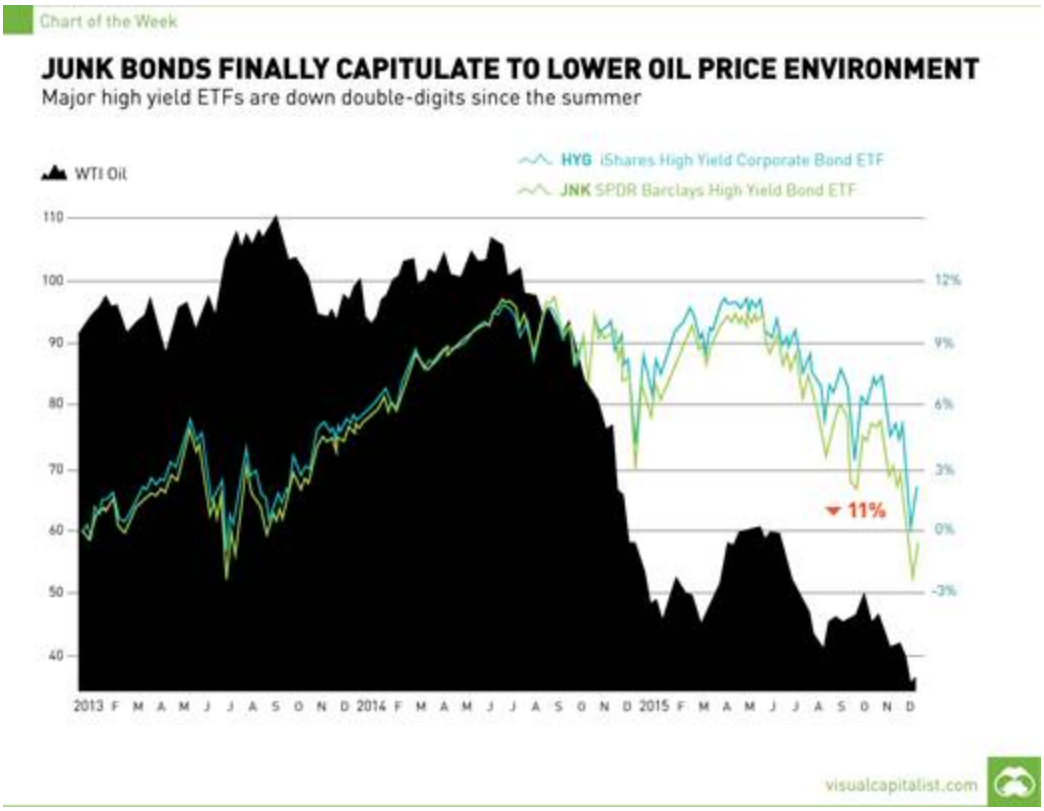
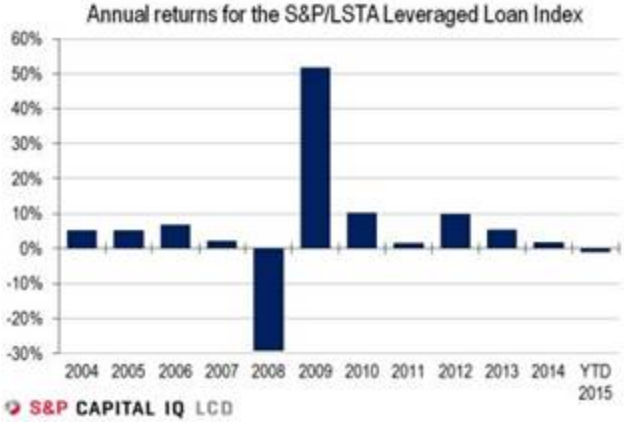


Chart of the Week
JUNK BONDS FINALLY CAPITULATE TO LOWER OIL PRICE ENVIRONMENT
Major high yield ETFs are down double-digits since the summer
WTI Oil
HYG iShares High Yield Corporate Bond ETF
JNK SPDR Barclays High Yield Bond ETF
110
100
90
80
70
60
50
40
12%
9%
6%
3%
0%
-3%
11%
2013 F M A M J J A S O N D 2014 F M A M J J A S O N D 2015 F M A M J J A S O N D
visualcapitalist.com

*Courtesy: J. Silcock, CIFC Asset Management

Yikes!

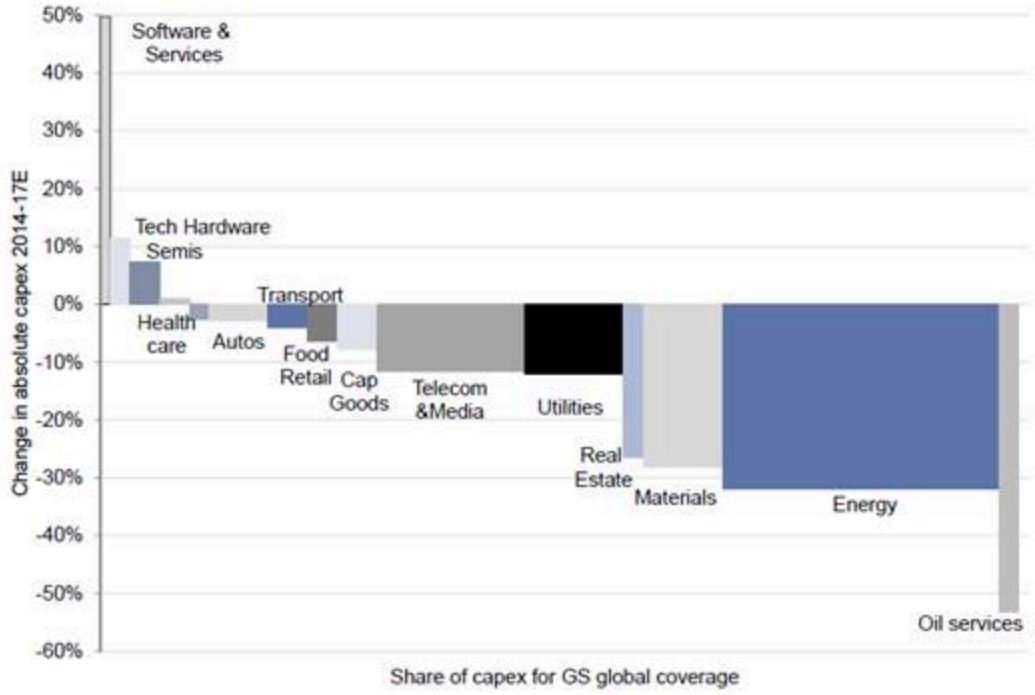


- The Junk Bond Rout That Wasn't http://www.nytimes.com/2015/12/18/business/few-aftershocks-from-implosion-of-junk-bond-mutual-fund.html?ref=dealbook
- Casey on high yield http://www.wsj.com/articles/wall-streets-biggest-junk-bond-dealer-weighs-in-on-the-rout-1450480939?mod=wsj_nview_latest

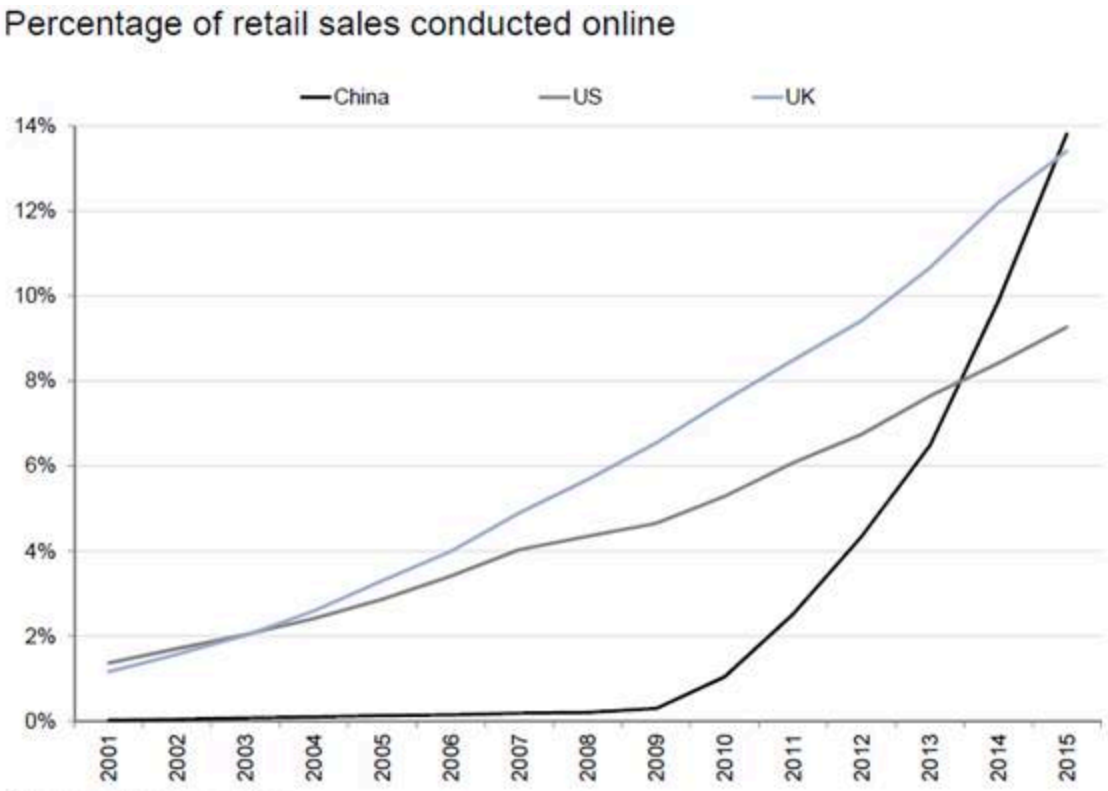
- Charts of the day:

No wonder growth is so low…

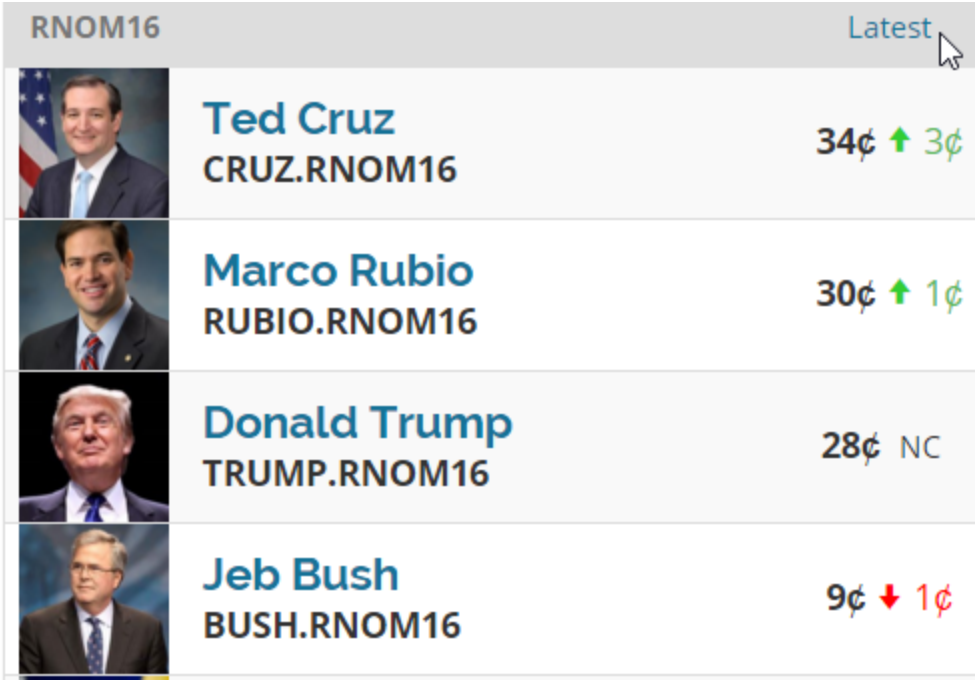
Share of capex in 2014 vs. change 2014-2017E, GS global coverage

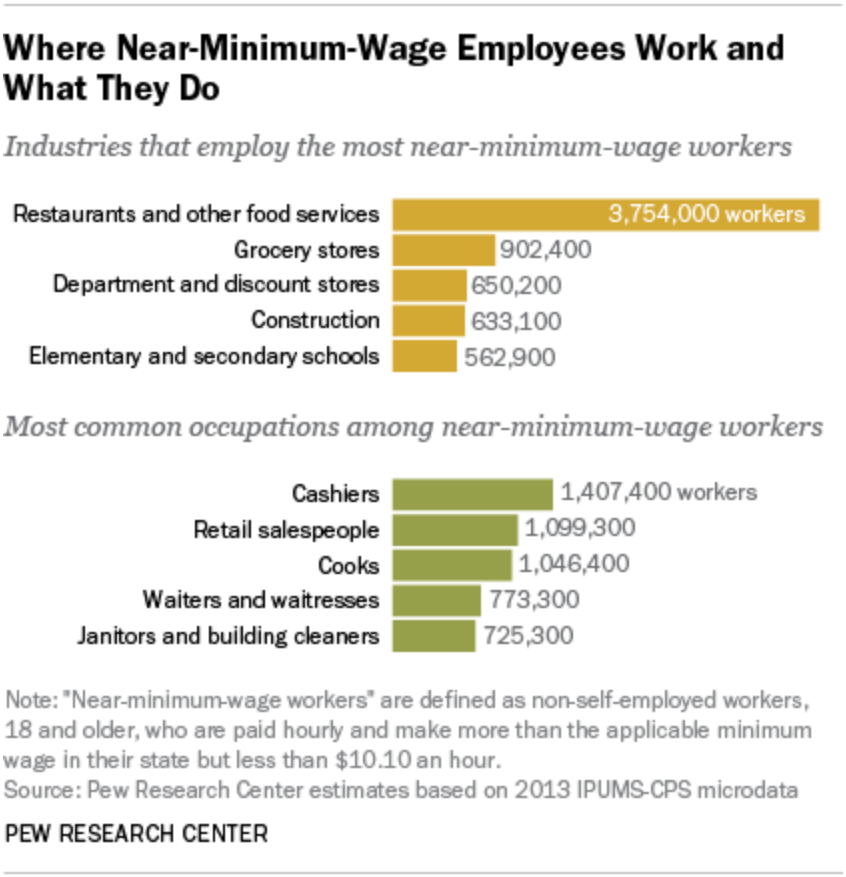


Source: Goldman Sachs Global Investment Research.



Source: Euromonitor.




Where Near-Minimum-Wage Employees Work and What They Do
Industries that employ the most near-minimum-wage workers
Restaurants and other food services
3,754,000 workers
Grocery stores
902,400
Department and discount stores
650,200
Construction
633,100
Elementary and secondary schools
562,900
Most common occupations among near-minimum-wage workers
Cashiers
1,407,400 workers
Retail salespeople
1,099,300
Cooks
1,046,400
Waiters and waitresses
773,300
Janitors and building cleaners
725,300
Note: "Near-minimum-wage workers" are defined as non-self-employed workers, 18 and older, who are paid hourly and make more than the applicable minimum wage in their state but less than $10.10 an hour.
Source: Pew Research Center estimates based on 2013 IPUMS-CPS microdata
PEW RESEARCH CENTER

- Other:
  - The One Question You Should Ask About Every New Job http://www.nytimes.com/2015/12/20/opinion/sunday/the-one-question-you-should-ask-about-every-new-job.html?partner=rss&emc=rss
  - Census Bureau Weighs Mideast Category http://www.wsj.com/articles/census-bureau-weighs-mideast-category-1450483703?mod=wsj_nview_latest

- Candidates on the Issues (Christmas reading…):
  - https://berniesanders.com/issues/
  - https://www.donaldjtrump.com/positions
  - https://www.hillaryclinton.com/issues/
  - https://www.tedcruz.org/records/
  - https://marcorubio.com/issues/

- HY: 99 7/16 (+3/4)
- IG: 64 5/8 (-2 5/8)
- CSLLI: -1.2% mtd / -0.64% ytd

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